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The Manager
Company Announcements Platform
Australian Securities Exchange
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PERTH WA 6000

Dear Shareholders

DRILLING AT TCM CONTINUES TO INTERSECT HIGH QUALITY COAL

HIGHLIGHTS:

- **Coal intersected in a further three holes, with cumulative thickness up to 5.92m**
- **Laboratory analysis indicates high quality bituminous thermal coal, GCV up to 6,894 cal/g**
- **Preliminary review into extending neighbouring open pit mine into the TCM concession**
- **Drilling remains ongoing, with several additional holes to be drilled**

The Directors of **Pan Asia Corporation Ltd (the "Company"; ASX: PZC)** are very pleased to provide the following update on drilling activities at the TCM Coal Project located in south Kalimantan, Indonesia. Drilling activities are currently focussing on the southern part of the TCM concession and immediately adjacent to the 2Mtpa ATA open pit mine operated by PT Arutmin Indonesia (part of PT Bumi Resources Tbk Group). The ATA mine typically produces a high-quality thermal coal with high calorific values, moderate sulphur and low ash. The TCM drill program is targeting the down-dip position of the seams currently being mined in the ATA pit with the intention of building sufficient resources to justify the development of a mining operation. To this effect, the Company has begun investigations into the possibility of these adjacent open pit mining operations being extended into the south-western area of the TCM concession. This will be in addition to proposed underground mining operations that may occur.

Drilling remains ongoing at TCM, with seven holes drilled to date. The recently completed TCM 7 returned a total of seven (7) coal intersections over the length of the hole, with a **cumulative thickness of 5.92m**, as indicated in Table 1. TCM 7 is located 2km to the north of TCM 3 which returned a cumulative coal intersection of 6.62m, as reported to the ASX on 1 February 2010 (see Figure 1).

TCM 5 and TCM 6, drilled nearly 1 km to the east of TCM 3 and TCM 7, intersected coal at the predicted depth, however the seams appear to be thinner. TCM 6 returned a cumulative coal intersection of 2.06m from three (3) seams. TCM 2 and TCM 4, as indicated on Figure 1, were drilled on the southern side of the Batulicin Fault in non-coal bearing formation. The location of this fault has now been better defined by this drilling.

In the short term, drilling will concentrate on infilling the area between TCM 3 and TCM 7 which will assist in making the decision to extend the neighbouring open pit into this area of TCM. This drilling will also be used to further assess the potential for underground mining based on the thick, high quality coal seams present in this area. It is intended for the drill program to continue northward, employing the same exploration drilling techniques to locate the down-dip position of the coal seams exposed in adjacent open pits.

All drilling, logging and sampling has been undertaken in accordance with industry best practice and in consideration of the JORC guidelines. All drill holes are vertical and utilise a mixture of HQ diameter open hole and triple tube coring. Coal samples are being sent to PT Intertek Utama Laboratory Services in Banjarbaru, Kalimantan. PT Intertek Utama is a fully internationally accredited coal testing laboratory.

Hole No	Latitude	Longitude	From (m)	To (m)	Interval (m)
TCM 7	-3^0 14' 10.9''	115^0 41' 58.9''	61.68	62.00	0.32
			63.50	63.74	0.24
			141.12	142.40	1.28
			150.72	152.54	1.82
			153.54	155.20	1.66
			157.44	157.78	0.34
			160.40	160.66	0.26
			Total Cumulative		**5.92m**
TCM 6	-3^0 13' 48.6''	115^0 42' 30''	256.48	257.16	0.68
			268.24	269.28	1.04
			270.34	270.68	0.34
			Total Cumulative		**2.06**
TCM 5	-3^0 14' 40.2''	115^0 42' 28.7''	279.44	279.62	0.18
			295.65	296.10	0.45
			297.64	297.96	0.32
			Total Cumulative		**0.95**

Table 1 – Coal intersections in drill holes TCM 5, TCM 6 and TCM 7.

Coal quality analysis has been received for sampled intervals in TCM 3, as listed in Table 2, below. Gross calorific values are very high, indicating the coal can be classified as bituminous thermal coal. The upper seam contains high sulphur, however the lower seam has returned low sulphur values. It is therefore possible these two coals could be blended to produce a high quality coal with low-moderate sulphur values.

Hole No	From (m)	To (m)	Interval (m)	TM_% (ar)	IM_% (adb)	Ash_% (adb)	VM_% (adb)	FC_% (adb)	S_% (adb)	GCV cal/g (adb)	CV cal/g (daf)
TCM 3	155.98	156.98	1.0	6.70	4.73	9.50	44.04	41.73	2.42	**6,894**	8,038
	156.98	158.10	1.12	6.54	4.76	17.48	40.49	37.27	2.28	**6,139**	7,895
	158.86	159.86	1.0	10.18	4.72	9.66	43.35	42.27	0.31	**6,868**	8,201
	159.86	160.66	0.8	7.41	4.20	16.25	42.69	36.86	0.26	**6,264**	7,875
	161.32	162.02	0.7	6.81	4.29	19.31	40.54	35.86	0.41	**6,038**	7,903

Table 2 – Coal quality analysis from sampled intervals in drill hole TCM 3.

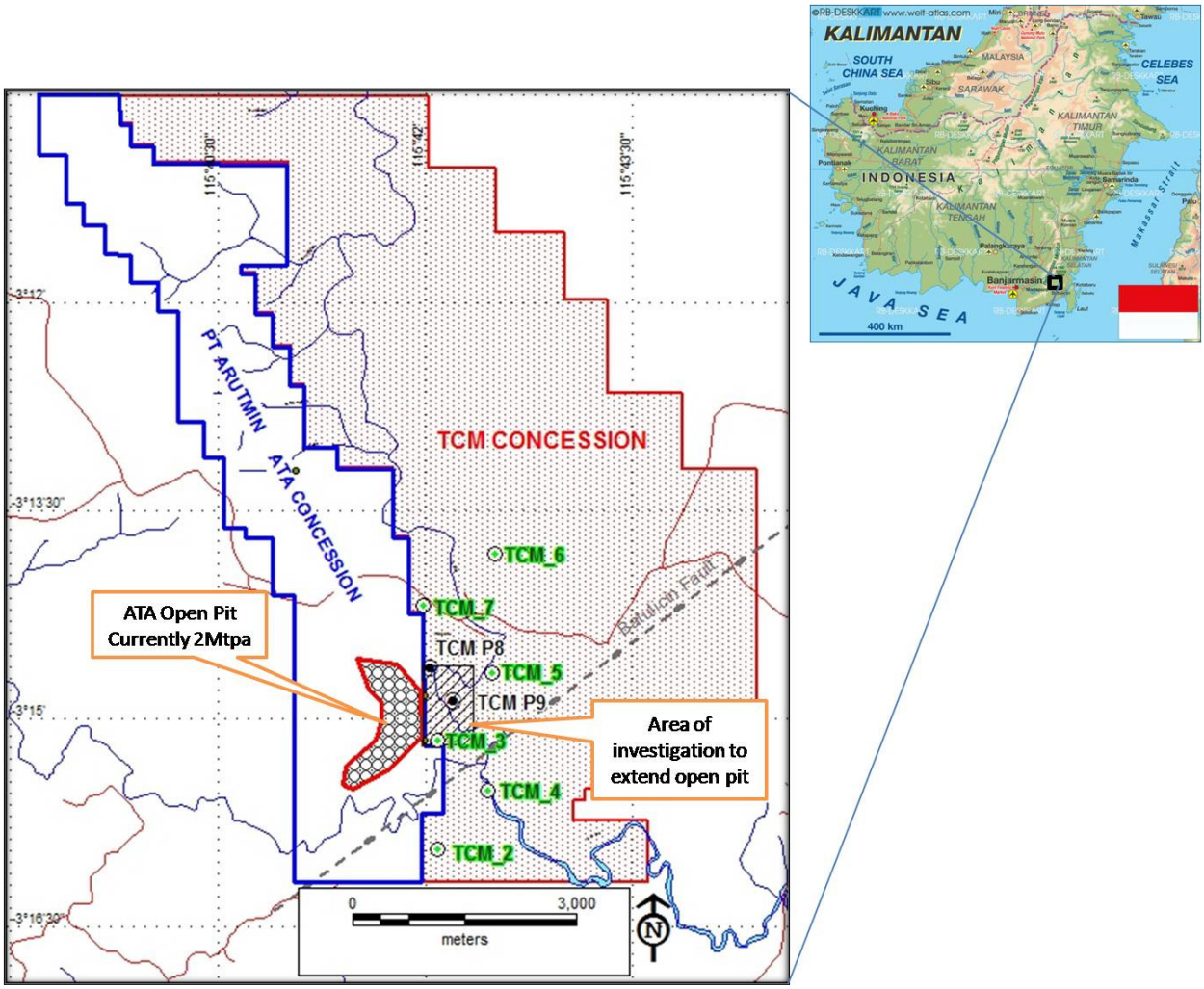

Figure 1 – The 4,148 Ha TCM coal concession showing actual (green) and proposed (black) drill hole locations.

CEO Alan Hopkins said “This is now looking promising as having immediate open pit production potential as well as for subsequent underground operations. We look forward to the coming drill results.”

The Company’s due diligence on the balance of the parcel of projects to be acquired from Innovation West continues actively.

Yours faithfully

ALAN G. HOPKINS
Chief Executive Officer

Competent Person's Statement

The data in this report that relates to Exploration Results is based on information evaluated by Mr Brett Gunter, who is a member of The Australian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Gunter is a full-time employee of GMT Indonesia and he consents to the inclusion in the report of the Mineral Resource in the form and context in which it appears.

About Pan Asia Corporation Limited

Pan Asia Corporation Limited is a rapidly growing diversified resources company listed on the Australian Securities Exchange with offices in Perth, Australia and Jakarta, Indonesia.

The Company aims to be a major supplier of key resources into the expanding Asian markets and is well advanced in its due diligence and requirements for regulatory and shareholder approval for the acquisition of a number of significant coal and manganese assets in Indonesia. This diversified portfolio of assets includes projects in both production and exploration stages as well as a significant opportunity to participate in key infrastructure development which will complement the existing coal projects held by the Company.

The evaluation and development of the current suite of assets in addition to new opportunities that arise from a strong local partner network will be the foundation for Pan Asia's aim to become a top tier coal and manganese company in Indonesia over the next three years. An extensive international financial network provides support for the Company's rapid growth plans.